COMMITTEE ON REAL ESTATE

February 28, 2017

A meeting of the Committee on Real Estate was held this date beginning at 4:00 p.m. at City Hall, First Floor Conference Room, 80 Broad Street.

Notice of this meeting was sent to all local news media.

PRESENT

Councilmember White, Chair, Councilmember Moody, Councilmember Waring and Mayor Tecklenburg **Staff:** Collen Carducci, Geona Shaw-Johnson, Florence Peters, Christopher Morgan, and Bethany Whitaker, Council Secretary

The meeting was opened with an invocation provided by Councilmember Moody.

APPROVAL OF MINUTES

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the minutes of the February 14, 2017 Committee on Real Estate Meeting.

AUTHORIZE THE MAYOR TO REPEAL ORDINANCE 2008-52 AS AMENDED BY ORDINANCE NO. 2008-66
AND EXECUTE ON BEHALF OF THE CITY A TRANSFER AGREEMENT CONVEYING 26 REID STREET TO
CHARLESTON HABITAT FOR HUMANITY FOR \$44,000 FOR DEVELOPMENT OF AFFORDABLE HOUSING
UNDER THE CITY'S HOME INVESTMENT PARTNERSHIPS PROGRAM GUIDELINES. (TMS: 459-09-04-040;
26 REID STREET) [TWO ORDINANCES]

Florence Peters stated that there was an Ordinance that had given 26 Reid Street to the Charleston area CDC back in 2005. They were now getting ready to transfer that property to Charleston Habitat for Humanity. They were transferring it to them for the acquisition costs, which was \$44,000. They were taking a note on the mortgage that would be satisfied when they construct the house and sell it to an eligible person which would be someone earning no more than 80% of the area median income. They had one year from the approval of the transcript to close and then if they don't develop the property within 18 months, the property would revert back to the City. They had written a revert clause that said that if they do anything outside of what is covenanted, it would come back to the City. They had set a covenant that regardless of whether they pay off the mortgage ahead of time, it stays on the property for 30 years. The affordability period for the property was 30 years. When it would go to the homebuyer, it would go with the homebuyer for the duration. If it went into foreclosure, they would be able to step in and recover some of the money if need be.

Councilmember Waring asked what leverage the City would have to step in before an auction if it went to foreclosure and Ms. Peters stated that if it went to the auction and there was an excess, the City would get to participate. Councilmember Waring asked if the new owners of the property would take over the obligation of the remaining years if the deed was transferred and Ms. Peters said yes. Ms. Peters said that in the past they used to transfer it to them for a dollar or zero cost and then they would develop and give it to a homeowner. They would put their own deed restrictions on it. If it went into foreclosure, the City didn't get a chance to participate if there were any excess funds that the house sold

for. The City lost out. The City would have been able to step in, if they had an equity position and it didn't. Councilmember Waring stated that there was a house where the City had Habitat for Humanity and it got foreclosed. The mortgage was around \$20,000. He asked what the City had to step in and preempt something like that. Ms. Peters said that prior to adding the covenants that were going to be on the property for 30 years, the City gave Habitat for Humanity the title and it was up to them. The City couldn't step in and they were competing with a private sector. In this agreement, the City wouldn't be competing when something happened. The City would have the right to step in, because it would be the City's covenant subject to the home regulations. They would have authority subject to the covenants that were on the property for 30 years. The City was protected.

Geona Shaw Johnson stated that she wanted to make one correction, in that; it wasn't the Charleston area CDC. The property was formerly given to the Episcopal Diocese and they had taken 3 or 4 properties back. This was one of those that they were now transferring to Habitat for Humanity. Under the Home Ownership Initiative they had a right of first refusal. There was one point where they had funding in the Parcel A dollars that would allow them to go in when a foreclosure happened and buy that property back. They were not in the position currently to do that. They were trying to make provisions so that if the opportunity presented itself, they could go in with City Council approval and buy properties. That was often times the best way to protect them if they could do that. She didn't know if they had lost that many. One they had bought back and one they were not able to buy back. They were able to negotiate with the bank to secure an affordable buyer to assume the mortgage.

Councilmember Waring asked what capability they had when they did have the parcel A money. Ms. Johnson stated that parcel A was at one point up to \$500,000. The houses were in excess of \$100,000. They bought one back on Poinsett Street and one other that they were able to negotiate with. Councilmember Waring stated that unfortunately, foreclosures would be a part of the process going forward.

Chairman White stated that they typically filed a mortgage on the property and Ms. Johnson stated that they did. Chairman White stated that one of the options was that the City always had the option of buying it through the first person first. They could then take a primary lead on the property and then sell the property to recoup the money. They always had that option if there was mortgage file. Councilmember Waring stated that the recouping was important, but that he didn't want to lose the housing. He wanted the housing to stay in the affordability stock.

Councilmember Moody stated that they still had to buy it. That may not be the right use of money on that specific house. He asked what happened when they paid off the entire mortgage. Ms. Peters stated that it would become theirs. Everything would expire and then they had the ability to do whatever they wanted with the property. Councilmember Moody stated that they could sell it to anybody then. Ms. Peters said that they could.

Councilmember Waring stated that he commended them for beefing up the deed and title.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to authorize the Mayor to repeal Ordinance 2008-52 as amended by Ordinance 2008-66 and execute on behalf of the City a Transfer Agreement conveying 26 Reid Street to Charleston Habitat

for Humanity for \$44,000 for development of affordable housing under the City's Home Investment Partnerships Program guidelines.

CONSIDER THE FOLLOWING ANNEXATION:

i. 2935 Maybank Highway and adjacent vacant lot (TMS# 313-00-00-091 and 313-00-00-089)4.60 acres, Johns Island (District 5)

Christopher Morgan stated that these were residential properties that would come to the City and they would be requesting a residential office.

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the above annexation.

AUTHORIZE THE MAYOR TO EXECUTE A FACILITY USE AGREEMENT BY AND BETWEEN THE CITY OF CHARLESTON AND GUY MCSWEENEY FOR THE CITY OF CHARLESTON FIRE DEPARTMENT TO USE APPROXIMATELY 2,000 SQUARE FEET OF LAND FOR UP TO SIX MONTHS FOR THE TEMPORARY STAGING OF A MOBILE HOME IN CAINHOY (TMS: 263-00-01-062)

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to add this item to the agenda.

Colleen Carducci stated that this was exactly the same to the one they had just approved. The agreement at the last meeting had the fire truck and the RV on one parcel. As the Fire Department set up with their tent for the truck and had an RV in place, they realized that the RV was not going to cut it. It was not meant for a long term living situation. They had acquired a mobile home that would be dropped on the site. The property with the red box was the location where the lease for the Fire Station being constructed was. They had started construction on the other end of the property, and they were working towards completing that, which they anticipated being done in the next 6 months. The owner of this property told the Fire Department that they would be happy to have the mobile home put on the property. It was easier due to the location of the access and it was adjacent to where the fire truck was actually staged. This agreement was just for the mobile home to be on the other property that ended in "062". The truck would stay on the adjacent property until the new station would be completed. Then they would move everything to that site.

Councilmember Waring asked who paid and Chief Brack stated that they rented the RV but had purchased the trailer.

Chairman White stated that he had gone out the previous week to look at the sites that they had looked at as potential sites. They went out and looked at the temporary facility and he was very happy to get the call from Chief Brack that they were putting something different up. It was an RV when they were there and it looked like they had been doing serious camping out. He walked away and thought that was terrible situation to be in. He appreciated the firefighters that were willing to do that but this was much better. This was obviously temporary and there would be a tremendous amount of growth on the Cainhoy peninsula. It was starting now. There were 9 million dollars' worth of roads put in, and the high school and elementary schools were up. They would make an additional road across Clement's Ferry Road that would go into the north portion on Cainhoy Plantation. They would be developing both of

them at the same time. The City had 5 years on this site but this location was far away from where it needed to be. It was better than what they had, but it was not in a good location. His hope was that they would continue to look for sites. He knew that they were working on it and they needed to find a site that was permanent and in a good location. He appreciated everything that had been done, but they needed to keep the pressure on in finding a permanent site because he didn't want to get past the 5 year term and still be at this other location.

Councilmember Moody asked what kind of equipment they would have at this station. Chief Brack stated that when they put the temporary facility in, they would have an engine and the tinder. It was a Class A pump so they had everything covered for ISO. They would have 6 people in the station operating the tinder, an engine, and a brush rig as well. That would be a well-staffed station. They would have decent coverage between there and Station 20. Councilmember Moody asked if Station 20 had a ladder and Chief Brack said no and that the closest ladder was at Station 18 which was on Daniel Island.

Councilmember Waring asked what direction they needed to go to be the most centrally localized and Chairman White stated that the best possible scenario was to be as close to Point Hope. That would be ground zero for the development because between Clements Ferry Road and Point Hope is the crossroads where all of the development on both sides would be at. Nelliefield and Peninsula were just a little further down the road. Those neighborhoods were already established and may have some potential possibilities.

Councilmember Waring asked about a previous location with an elderly man and if that would be a desirable location. Chief Brack said that was a very desirable location and it had to do with the interplay of all of the stations. Councilmember Waring stated that there had been a property that the City had put a lot of labor into but there were sensitivities to an elderly man. He asked if the improvements had been started on the road. Chairman White said not yet, but they were putting up silt fencing on the south side of 41 which would be the first phase. Phase 2 was funded and would come behind it. Mr. Morgan stated that would start in 2019. Chairman White stated that location was right at the entrance of Nelliefield Plantation. About 100 yards down the road was the Peninsula neighborhood and those two neighborhoods connect. He asked as they rode by if that would be a potential site and it was said that they could potentially have a conversation about that. There were options in that area, but unfortunately, none of them seem to be perfect. Trying to find a perfect site has been a little daunting.

Ms. Carducci stated that the Fire Department had maintained a large map showing where the preferred stations were in that area. The drive time rings that they had identified where Fire Stations needed to be. Nelliefield and up in that area was hit. They negotiated for a long time on that property. The difficulty was with what they were asking the City for. It had gotten to be too much. The City took a step back and eventually the City wanted to be there, but it may be better to wait until they develop the roads and put in the infrastructure needed. They had a wonderful facility on Cainhoy Road that was being constructed. It was not what they would build for a permanent station, but it was much better than the station that the City had been in on Marina Drive. The Station on Marina Drive was old and in bad condition. Mayor Tecklenburg stated they needed to replace that one. Ms. Carducci said it may be better to keep the one on Cainhoy Road longer and replacing Station 21, and then going into the target range of Nelliefield when it was more developed in that area. As everything developed, there would be

another station location put in near Jack Primus Road because there would be so much population there. They were looking at all options and if they could get two of the sites tied down now, that would be terrific.

Councilmember Moody stated that it would be helpful to get the map to see where those things were. Chairman White stated that another thing that would be helpful would if they would give him parameters as to how many acres they wanted, and where they wanted to be. He would go on GIS and find sites, and find out who owned it. They could approach other people. Ms. Carducci stated that they had and that Mr. Morgan had been working with them to identify the sites. They had a site right now where they were working with the owner and developer to see if they could work out an acquisition.

Chairman White stated that the reason he was being adamant about being in the right spot sooner rather than later, was that he could say that population would be much larger in 5 years than anybody thought. It would be significant. Blackbaud was putting in another office building. They had a shopping center going onto Clements Ferry Road. All of those properties were under contract or were going to be developed and it was going to be tremendous. When they looked back in 5 years, if they hadn't gotten closer to where they wanted to be, they would behind the 8-ball.

Chief Brack stated that she would be more than happy to bring the map to the next meeting to show them how they looked at it. They try and look at it from the perspective of not just getting coverage in an area, but getting the overlaps for the equipment they needed. That mattered for the standards of cover and the amount of people they had to have on a fire in a certain amount of time. They looked at those maps a lot.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to authorize the Mayor to execute a Facility Use Agreement by and between the City of Charleston and Guy McSweeney for the City of Charleston Fire Department to use approximately 2,000 square feet of land for up to six months for the temporary staging of a mobile home in Cainhoy.

Having no further business, the meeting adjourned at 4:37 p.m.

Bethany Whitaker Council Secretary